

WHITE & CASE LLP

David M. Turetsky
Keith H. Wofford
Samuel P. Hershey
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 819-8200
Facsimile: (212) 354-8113
Email: david.turetsky@whitecase.com
kwofford@whitecase.com
sam.hershey@whitecase.com

WHITE & CASE LLP

Aaron E. Colodny (admitted *pro hac vice*)
555 South Flower Street, Suite 2700
Los Angeles, California 90071
Telephone: (213) 620-7700
Facsimile: (213) 452-2329
Email: aaron.colodny@whitecase.com

– and –

WHITE & CASE LLP

Michael C. Andolina (admitted *pro hac vice*)
Gregory F. Pesce (admitted *pro hac vice*)
111 South Wacker Drive, Suite 5100
Chicago, Illinois 60606
Telephone: (312) 881-5400
Facsimile: (312) 881-5450
Email: mandolina@whitecase.com
gregory.pesce@whitecase.com

Counsel to the Official Committee of Unsecured Creditors

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)

) Case No. 22-10964 (MG)

) (Jointly Administered)

) **Related Docket Nos.: 917 AND 918**
)

**THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS' JOINDER TO THE DEBTORS' MOTION TO ENFORCE THE
AUTOMATIC STAY AND FOR CIVIL CONTEMPT**

The Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned

¹ The Debtors in these chapter 11 cases and the last four digits of their federal tax identification number are as follows: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

debtors and debtors in possession (collectively the “**Debtors**” or “**Celsius**”) files this joinder to the *Debtors’ Motion to Enforce the Automatic Stay and for Civil Contempt* [Docket No. 917] (the “**Stay Motion**” or the “**Motion**”) currently scheduled to be heard on or after November 9, 2022. Joint Stipulation and Agreed Scheduling Order [Docket No. 1114]. In support of this joinder (the “**Joinder**”), the Committee respectfully states as follows:

Joinder

1. On September 28, 2022 the Debtors filed the Stay Motion together with the *Declaration of Quinn Lawlor in Support of Debtors’ Motion to Enforce the Automatic Stay and for Civil Contempt* [Docket No. 918] (the “**Lawlor Declaration**”) describing alleged violations of the automatic stay provisions of 11 U.S.C. § 362(a) by Core Scientific, Inc. (“**Core Scientific**”) with regard to its active hosting contracts with Celsius.

2. The mining business is expected to be of substantial importance to unsecured creditor and account holder recoveries in these cases. As the Debtors state in their *First Day Declaration in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 23] (the “**First Day Declaration**”), Celsius “operates one of the largest crypto mining enterprises in the United States.” First Day Decl. at ¶ 65; *see also* Debtors’ Motion Seeking Entry of an Order (I) Permitting the Sale of the Debtors’ Mined Bitcoin in the Ordinary Course and (II) Granting Related Relief [Docket No. 187] at ¶ 8.

3. Accordingly the Committee believes that it is important to the estates, and required by the Bankruptcy Code, that the traditional protections of bankruptcy be used to preserve the value of that business.

4. Core Scientific is by all accounts the largest third-party hosting provider to the Debtors’ mining business. Under orders 1 through 10, Core Scientific is contractually obligated

to provide hosting, for 195 megawatts of power per month (59,191² current-type mining rigs). Lawlor Decl. at Ex. A-C. In addition, Core Scientific was and is obligated to provide an additional 10 megawatts of power per month (based on availability), which was intended to enable the creation of greater going concern value in the mining business, but has failed to do so. Stay Motion at ¶ 12.

5. Since the breaches set forth in the Debtors' Motion clearly violate the automatic stay and harm the Debtors' estates and their creditors, the Committee supports the granting of relief sought in the Motion.

Reservation of Rights

6. The Committee reserves all of its rights to supplement or amend this joinder and to present evidence at the hearing, whether as a result of ongoing discovery or otherwise.

² Actual miner numbers are dependent on power consumption of the particular type of mining units deployed.

Dated: October 19, 2022
New York, New York

Respectfully submitted,

/s/ Keith H. Wofford

WHITE & CASE LLP

David M. Turetsky
Keith H. Wofford
Samuel P. Hershey
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 819-8200
Facsimile: (212) 354-8113
Email: david.turetsky@whitecase.com
kwofford@whitecase.com
sam.hershey@whitecase.com

– and –

WHITE & CASE LLP

Michael C. Andolina (admitted *pro hac vice*)
Gregory F. Pesce (admitted *pro hac vice*)
111 South Wacker Drive, Suite 5100
Chicago, Illinois 60606
Telephone: (312) 881-5400
Facsimile: (312) 881-5450
Email: mandolina@whitecase.com
gregory.pesce@whitecase.com

– and –

WHITE & CASE LLP

Aaron E. Colodny (admitted *pro hac vice*)
555 South Flower Street, Suite 2700
Los Angeles, California 90071
Telephone: (213) 620-7700
Facsimile: (213) 452-2329
Email: aaron.colodny@whitecase.com

*Counsel to the Official Committee of
Unsecured Creditors*